

Tether Claims \$30 Million in US Dollar Token Stolen

Stan Higgins   

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NEWS

Tether, the company behind a dollar-pegged cryptocurrency widely used in the market's exchange trade, is claiming that its systems have been hacked and that \$30 million worth of its tokens have been stolen.

In a post [on the project's website](#) (which has since been removed), Tether blamed a "malicious action by an external attacker" for the theft of \$30,950,010 USDT yesterday. Originally launched as [Realcoin](#) and later rebranded, Tether aims to serve as a proxy for the US dollar that can be sent between exchanges, notably including Bitfinex, Poloniex and other markets without fiat trading.

In response, Tether said it would move swiftly to ensure these exchanges do not trade or otherwise introduce the stolen funds back into the cryptocurrency economy.

The company wrote:

"\$30,950,010 USDT was removed from the Tether Treasury wallet on Nov. 19, 2017 and sent to an unauthorized bitcoin address. As Tether is the issuer of the USDT managed asset, we will not redeem any of the stolen tokens, and we are in the process of attempting token recovery to prevent them from entering the broader ecosystem."

Notably, the company said that it is releasing a new version of the Omni Core software client (which Tether runs on top of) in a bid to effectively lock up the tokens it alleges were stolen. Should nodes in the network adopt the software, it would effectively blacklist the stolen address, enacting an emergency fork to contain the funds.

Representatives from the Omni Core software project said they would seek to release new software in the coming days that will allow Tether to retrieve the stolen tokens.

Observers online [spotted the move](#) earlier today, [stoking speculation](#) about the nature of the freeze.

"The tether.to back-end wallet service has been temporarily suspended. A thorough investigation on the cause of the attack is being undertaken to prevent similar actions in the future," Tether wrote.

The announcement comes amid a period of growing discussion - and controversy - around Tether.

Under scrutiny has been the unclear relationship between Tether and the troubled British Virgin Islands-based bitcoin exchange Bitfinex - and long-standing allegations the exchange has been using the asset to engage in fraud and market manipulation. Complicating matters is that the two companies are said to share a common ownership, though details remain murky as to the exact nature of the connection.

er exchanges that offer order-book trading on Tether have taken steps to freeze trading, with China-based [Huobi](#) and [OKCoin](#) shortly after the post.

CoinDesk will continue to monitor this developing story.

[Keyboard with dollar overlaid](#) via Shutterstock

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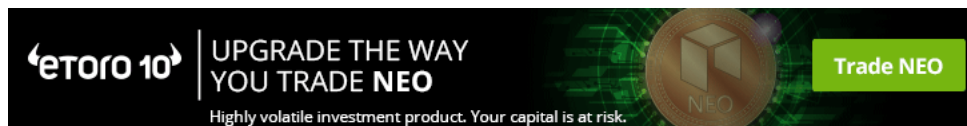
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**Brad Jensen** • 4 months ago

"claims" is a good way to put it. Just like Bitfinex "claimed" they were hacked last year. A lot of f*ckery going on here.

14 ^ | v • Share

**CLains** • 4 months ago

BitUSD is the original, free market decentralized version of tether. Buy that instead and support a free market (and decentralization of exchanges).

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**chudi** • 4 months ago

Tether is definitely a scam. Beware people.

6 ^ | v • Share

**Roeks Griessel** • 4 months ago

So you bring \$23mil in on 1 Nov. lift the market cap from \$440mil to \$675mil, hack your own wallets, buy BTC in the dip and claimed you were hacked. Who gave you the \$23mil FEDup I asked.

4 ^ | v • Share

**kongCrypto** • 4 months ago

They stole it, bunch of scammers!

2 ^ | v • Share

**PBV** • 4 months ago

"The troubled BVI based bitcoin exchange Bitfinex"

Do you suppose you might want to let your readers know why it is "troubled"? There's nothing on Coindesk to suggest "troubled" other than the information on the hack from over a year ago that has already been paid off.

2 ^ | v • Share

**Rassalas** → **PBV** • 4 months ago

When I log into Finex I see they're blocking out US customers. Perhaps that is troubling on a number of fronts.

1 ^ | v • Share

**PBV** → **Rassalas** • 4 months ago

Troubling to the over-regulated people in the U.S. who are increasingly being shut out of opportunities because nobody wants to deal with the intrusiveness of the U.S. government, perhaps.

I'm not sure it suggests that the exchange is "troubled".

^ | v • Share

**nomofiat** → **PBV** • 4 months ago

yeah, they are making an absolute killing in fees but according to coindesk they are troubled. What gives?

^ | v • Share

**Steffen Søborg** • 4 months ago

Whats the point of stealing Tether tokens? They can just blacklist them. You get away with nothing it seems

3 ^ | v • Share

**Razzor1994** → **Steffen Søborg** • 4 months ago

Before they blacklist hackers already transfer this coins, trasformed in btc and after this done is no way to block them. So who hacked this coins send them to exchange that accept them and convert to btc, extract to external wallet and sold for real \$. This just will drop BTC price little bit and make BTC more trustable becouse its real impossible to hack btc right now. New low financed criptocurrency was easy to hack anyway this made people trust less new coins and more main coins

6 ^ | v • Share

**Iratxo Flores Lorca** → **Razzor1994** • 4 months ago

you can see on the omni explorer that those USDT didnt go anywhere. If the shopping spree happened before as some say.

3 ^ | v • Share ›

**Jamie** → Iratxo Flores Lorca • 4 months ago

Bitfinex is probably trying to cover their tracks somehow or maybe they just shorted the market before the announcement.

4 ^ | v • Share ›

**DennisonBertram** → Iratxo Flores Lorca • 4 months ago

or maybe they are just taking coins out of circulation they don't really have backed by USD. :-)

3 ^ | v • Share ›

**Uno Strawman** → DennisonBertram • 4 months ago

Interesting thought.

^ | v • Share ›

**Razzor1994** → Iratxo Flores Lorca • 4 months ago

They can block only USDT money they cant block BTC money if they out in private Wallets

^ | v • Share ›

**Michael Patton** • 4 months ago

Oh my...funny how this happens after EVERY massive run up. I mean, it's like, IDK, maybe that money was siphoned off a long time ago and they just needed a "hack" to excuse themselves when they suddenly are short of funds.

How do people not figure this out already?

1 ^ | v • Share ›

**No_Rep** • 4 months ago

A comparison to fiat USD is in order. Much more USD is stolen daily, and there is no way to block the serial numbers. To me, this event highlights the superiority of USDT.

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**dave** • 4 months ago

insider job???

1 ^ | v • Share ›

**grant** • 4 months ago

bitcoin is performing well because of millions of tethers created to pump the price of bitcoin. There is a lot of uncertainties concerning this coin and exchange. what is there plan to pump the price of bitcoin until institutional investors invest in the crypto market and bitcoin goes mainstream

2 ^ | v • Share ›

**nomofiat** → grant • 4 months ago

Alts are much more dependant on tether then bitcoin.

Only a handful of exchanges use tether and they are responsible for a fraction of the global volume.

The non tether exchanges like GDAX consistently lead or are on par with bitfinex.

So how is tether pumping the bitcoin price again?

Besides, even if your conspiracy theory were true. Where do you think the money would flee if tether turns out to be insolvent? They would most likely run to the crypto reserve currency: Bitcoin!

3 ^ | v • Share ›

**Mike_Hunt** • 4 months ago

Ponzi about to be exposed....get "hacked" to smokescreen....?

2 ^ | v • Share ›

**Cobac Razvan** • 4 months ago

What was that regarding the safety of these currencies?

^ | v • Share ›

**Rassalas** • 4 months ago

WTF is Tether? Cut and Run on that flotsam.

^ | v • Share ›

**srhardy** • 4 months ago

Ive been waiting for this after I got an email from National Inflation Association that warned of TETHER not being backed by anything and this was going to scam owners. Forewarned is forward armed! That was 2 weeks ago and then this. Coincidence, I think not!

months ago

BTC prices went up. I exchanged all my BTC for BCC. Instead of using 4-5 hours to send BTC it took 2 seconds to send my BCC to my wallet. The fees were so low that i had to check 3 times. Just because of that i have turned all my investments from BTC to BCC. What are your perspective on BCC vs. BTC?

^

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grant • 4 months ago

why can a exchange work without banking?why do others exchange accept tethers?

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nomofiat → grant • 4 months ago

they do have banking but not for retail clients.

1

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